Cash Canada Group Ltd.
Financial Statements
For the years ended January 31, 2005 and 2004

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Financial Statements
For the years ended January 31, 2005 and 2004

Contents

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Driving growth

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Auditors' Report

To the Shareholders of
Cash Canada Group Ltd.

We have audited the balance sheets of Cash Canada Group Ltd. as at January 31, 2005 and 2004 and the statements of operations and retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2005 and 2004 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Signed ***"BDO Dunwoody LLP"***

Chartered Accountants

Edmonton, Alberta
March 24, 2005

Cash Canada Group Ltd.
Balance Sheets

January 31	2005	2004
Assets		
Current		
Cash	$ 319,227	$ 572,617
Accounts receivable	20,226	15,541
Loans and service charges receivable (Note 2)	2,260,794	2,273,471
Income taxes recoverable	28,072	-
Inventory	1,964,305	1,949,417
Prepaid expenses and deposits	132,446	106,155
	4,725,070	4,917,201
Property deposit (Note 3)	31,679	23,963
Property and equipment (Note 4)	1,495,155	1,108,289
Future income taxes (Note 7b)	35,000	45,000
Deferred opening costs (Note 5)	-	24,066
	$ 6,286,904	$ 6,118,519
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	$ 663,135	$ 565,699
Income taxes payable	-	186,371
Future income taxes (Note 7b)	23,000	138,000
Current portion of long-term debt (Note 8)	-	114,997
	686,135	1,005,067
Debentures (Note 9)	1,117,000	1,117,000
	1,803,135	2,122,067
Shareholders' equity		
Share capital (Note 10)	3,584,720	3,584,720
Retained earnings	899,049	411,732
	4,483,769	3,996,452
	$ 6,286,904	$ 6,118,519

On behalf of the Board:

Signed *"Randy Clifford"*
Randy Clifford, Director

Signed *"Ed Hawryluk"*
Ed Hawryluk, Director

The accompanying notes are an integral part of these financial statements.

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Cash Canada Group Ltd.
Statements of Operations and Retained Earnings

For the years ended January 31	2005	2004
Revenue		
Merchandise sales	**$ 7,351,676**	$ 7,108,501
Service charges	**4,276,233**	4,170,587
	11,627,909	11,279,088
Expenses		
Amortization - property and equipment	**191,533**	197,377
- deferred opening costs	**24,066**	92,749
Cost of goods sold	**3,975,612**	3,848,098
Interest on debentures (Note 9)	**111,726**	103,481
Interest on long-term debt	**1,784**	8,126
Loss on disposal of property and equipment	**14,337**	-
Operating and administrative	**6,267,294**	6,054,945
	10,586,352	10,304,776
Income before income taxes and extraordinary item	**1,041,557**	974,312
Income taxes (benefit) (Note 7a)		
Current	**455,000**	380,000
Future	**(97,000)**	(65,000)
	358,000	315,000
Income before extraordinary item	**683,557**	659,312
Extraordinary item (Note 17)	**(196,240)**	-
Net income for the year	**487,317**	659,312
Retained earnings (deficit), beginning of year	**411,732**	(247,580)
Retained earnings, end of year	**$ 899,049**	$ 411,732
Earnings per share (Note 15)		
Basic and diluted earnings per share before extraordinary item	**$ 0.049**	$ 0.047
Extraordinary item, net of income taxes (Note 17)	**(0.014)**	-
Basic and diluted earnings per share	**0.035**	0.047

The accompanying notes are an integral part of these financial statements.

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Cash Canada Group Ltd.
Statements of Cash Flows

For the years ended January 31	2005	2004
Cash flows from operating activities		
Net income for the year	$ 487,317	$ 659,312
Items not involving cash		
Amortization - property and equipment	191,533	197,377
- deferred opening costs	24,066	92,749
Loss on disposal of property and equipment	14,337	-
Non-cash portion of extraordinary item (Note 17)	224,000	-
Future income taxes	(97,000)	(65,000)
	844,253	884,438
Net change in non-cash working capital balances (Note 12)	(332,195)	(87,654)
	512,058	796,784
Cash flows from investing activities		
Purchase of property and equipment	(642,734)	(166,959)
Property deposit payments	(7,716)	(23,963)
	(650,450)	(190,922)
Cash flows from financing activities		
Repayment of long-term debt	(114,997)	(134,017)
Repayment of debentures	-	(1,268,000)
Proceeds on issuance of debentures	-	1,117,000
Issuance of share capital	-	15,000
	(114,997)	(270,017)
Increase (decrease) in cash during the year	(253,389)	335,845
Cash, beginning of year	572,617	236,772
Cash, end of year	$ 319,228	$ 572,617

During the year, the Company paid interest on debentures and long-term debt of $113,510 (2004 - $111,600). The Company paid income taxes of $222,868 (2004 - $171,000).

The accompanying notes are an integral part of these financial statements.

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1. Summary of Significant Accounting Policies

Nature of Business

The Company was incorporated on May 27, 1988, in the province of Alberta, and is in the business of collateral lending and the selling of used merchandise. Revenue is derived initially through interest and handling charges on collateral loans. Additional revenue is generated from the resale of personal properties unclaimed by the individuals on the loans.

Management Estimates

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Because the precise determination of many assets, liabilities, revenue and expenses is dependent on future events, the preparation of financial statements for a period necessarily includes the use of estimates and approximations which have been made using careful judgement. Actual results could differ from those estimates. These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting principles summarized below.

Loans, Inventory and Revenue Recognition

Short-term collateral loans are made on the pledge of tangible personal property. The Company accrues service charges on a pro-rata basis over the life of the loan, reduced for expected collection based on historical results.

If the collateral loan is not repaid, the principal amount loaned plus the accrued service charges becomes the carrying value of the forfeited collateral (inventory) which is recovered through sale. Inventory valuation allowances are established when inventory carrying values are in excess of estimated selling price.

Merchandise sales are recorded when the customer takes possession of the goods. Payments received from customers on layaway sales are deferred until the period in which final payment is received and the goods released to the customer, or the customer forfeits their payments.

Property and Equipment

Property and equipment are recorded at cost. Amortization based on the estimated useful life of the asset is calculated on the diminishing balance basis as follows:

Building	5%
Equipment, signage and paving	10%
Vehicles	20%
Computer equipment	20%

Leasehold improvements are amortized on the straight line basis over the terms of the leases.

1. **Summary of Significant Accounting Policies** (continued)

Deferred Opening Costs Deferred opening costs relate to costs incurred to open additional store locations and are being amortized on the straight line basis over twenty-four months. If locations are closed, any remaining balances are written-off in the related period.

Financial Instruments The Company as part of its operations carries a number of financial instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying value unless otherwise noted.

Income Taxes Under the asset and liability method of accounting for income taxes, future tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. In addition, the future benefits of income tax assets, including unused tax losses, are recognized, subject to a valuation allowance, to the extent it is more likely than not such losses will be ultimately utilized. Future income tax assets and liabilities are measured using enacted tax rates and laws expected to apply when the tax liabilities or assets are to be either settled or realized.

Earnings per Share Basic earnings per common share are computed by dividing earnings from operations by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments.

Stock-based Compensation Effective November 1, 2003, the Company chose to prospectively adopt the amended recommendations of the Canadian Institute of Chartered Accountants with respect to Section 3870 "Stock-based Compensation and Other Stock-based Payments". The amended recommendations require the expensing of all stock-based compensation awards. Previously, the Company had followed the recommendations which encouraged, but did not require, the use of a fair value based method to account for stock-based compensation to employees.

2. Loans and Service Charges Receivable

	2005	2004
Collateral loans receivable	$ 1,922,280	$ 1,937,507
Service charges receivable	500,119	506,525
Valuation allowance based on historical collection rates	(161,605)	(170,561)
	$ 2,260,794	$ 2,273,471

Collateral loans are granted for a 30 day period but can be extended if they are in good standing. All loans are secured by tangible personal property placed in the custody of the Company. Varying combined rates exist for interest and processing fees on these loans.

Service charges are accrued only to the extent that collection is expected based on historical results.

3. Property Deposit

The property deposit consists of a deposit paid and expenses incurred related to a property acquisition currently under negotiation. The costs will be deferred until either the acquisition is complete or the deal is abandoned. If the property is acquired, these costs will be added to the cost of the property. If the property is not acquired, the non-recoverable portion of this amount will be expensed in that period.

4. Property and Equipment

	2005		2004	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	$ 119,612	$ -	$ 119,612	$ -
Building	75,797	29,364	75,797	26,333
Store equipment	836,302	292,935	765,256	267,690
Office equipment	114,246	39,361	101,235	33,405
Signage	44,386	16,815	76,780	28,432
Paving	9,451	2,803	3,841	2,375
Vehicles	38,978	25,107	38,978	21,639
Computer equipment	647,358	203,981	312,147	176,096
Leasehold improvements	683,852	464,461	601,782	431,169
	$ 2,569,982	$ 1,074,827	$ 2,095,428	$ 987,139
Net book value		$ 1,495,155		$ 1,108,289

Computer equipment includes $318,325 (2004 - $nil) of equipment that was not yet in use as at year end. No amortization has been taken on this equipment.

5. Deferred Opening Costs

	2005		2004	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Deferred opening costs	**$ -**	**$ -**	$ 79,520	$ 55,454
Net book value		**$ -**		$ 24,066

6. Bank Indebtedness

The operating line of credit bears interest at the bank's prime rate plus 1.25%, is payable on demand, and secured by all assets of the Company and a postponement of the debentures. The maximum financing available on this operating line of credit is $1,500,000. The agreement with respect to the line of credit contains certain covenants regarding debt service coverage, earnings before interest, tax, depreciation and amortization (EBITDA), and working capital. At January 31, 2005, the Company had no draws outstanding against this line of credit.

7. Income Taxes

a) A reconciliation of income taxes at Canadian statutory rates with the reported income taxes is as follows:

	2005	2004
Statutory income tax rate	**33.8%**	36.5%
Taxes computed at the effective tax rate	**$ 352,000**	$ 356,000
Non-deductible expenses	**1,200**	4,000
Effect of rate changes and other	**4,800**	(45,000)
Total income taxes	**$ 358,000**	$ 315,000

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7. Income Taxes (continued)

b) The income tax effects of temporary differences that gave rise to the future income tax asset and liability are presented below:

Future income tax asset (non-current)

	2005	2004
Property and equipment	$ (69,000)	$ (65,000)
Deferred opening costs	-	(8,000)
Foreign exploration and development pool	29,000	33,000
Cumulative eligible capital	60,000	65,000
Other	15,000	20,000
	$ 35,000	$ 45,000

Future income tax liability (current)

	2005	2004
Service charges recorded at the inception of the loan, included in service charges receivable	$ -	$ 113,000
Service charges included in inventory	23,000	25,000
	$ 23,000	$ 138,000

8. Long-term Debt

	2005	2004
6% demand term loan, repaid during the year	$ -	$ 114,997
Less amounts included in current liabilities	-	114,997
	$ -	$ -

9. Debentures

In December 2003, the Company raised $1,117,000 through a public placement of 10% Series B Subordinated Debentures, maturing November 30, 2008. The debentures are secured by a fixed and floating charge over all assets of the Company. No principal payments are required on these debentures until the maturity date. The debentures have no conversion features.

The debenture agreement specifies certain covenants including a requirement that the ratio of debentures payable to current assets not exceed 1:1.25. Maturity of the debentures may be accelerated if certain conditions exist or the Company is in default of any covenants as outlined in the debenture agreement, subject to waiver by the debenture trustee. As at January 31, 2005, the Company was not in violation of these covenants.

Debentures include $343,000 (2004 - $343,000) held directly and indirectly by directors and related individuals. During the year, $34,300 (2004 - $20,329) of debenture interest was paid to these related individuals.

10. Share Capital

a) Authorized

50,000,000	Common shares
10,000,000	Preferred shares
22,500	Series A, 5% cumulative, convertible, preferred shares
67,500	Series B, 5% cumulative, convertible, preferred shares

b) Issued

	2005			2004		
	Common Shares Issued		**Amount**	Common Shares Issued		Amount
Balance, beginning of year	**14,019,605**	**$**	**3,584,720**	13,919,605	$	3,569,720
Options exercised for cash	**-**		**-**	100,000		15,000
Balance, end of year	**14,019,605**	**$**	**3,584,720**	14,019,605	$	3,584,720

c) Stock Option Plan

Effective June 13, 2002, the Company adopted a new stock option plan. Under this plan, the Board may grant options to purchase common shares to the officers, directors and employees of the Company, and to consultants retained by the Company. The exercise price and vesting period of granted options will be determined by the Board at the time of the granted options. The aggregate number of common shares reserved for issuance under the plan is 20% of the issued and outstanding common shares. As at January 31, 2005, 400,000 stock options have been granted under the new plan and 30,000 stock options granted under the old plan are still outstanding. The 400,000 options vest immediately.

10. Share Capital (continued)

c) Stock Option Plan (continued)

Since the old outstanding options were granted prior to February 1, 2002, the Company is not required to present pro-forma disclosure of what the results would have been had the fair value method been applied to these options.

A summary of the status of the Company's stock option plan as of January 31, 2005 and 2004 and the changes during the years then ended are as follows:

	2005		2004	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Balance, beginning of year	**30,000**	**$ 0.15**	480,000	$ 0.14
Granted	**400,000**	**0.50**	-	-
Exercised for cash	**-**	**-**	(100,000)	0.15
Expired unexcercised	**-**	**-**	(350,000)	0.14
Balance, end of year	**430,000**	**0.48**	30,000	0.15

	2005	2004
Number of options exercisable at $0.15 per share, expiring April 28, 2006	**30,000**	30,000
Number of options exercisable at $0.50 per share, expiring November 17, 2009	**400,000**	-
	430,000	30,000

The compensation expense to the Company of issuing the 400,000 stock options was approximately $425. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model based on the following assumptions:

Risk-free interest rate	3.03%
Expected life (years)	5
Expected volatility	5.03%
Dividend yield	nil
Number of options granted	400,000
Fair value per option granted	$ 0.0011

11. Commitments

The Company is committed under various operating leases (expiring at various times in 2006 through 2015) for premises and computer equipment in each of the next five years as follows:

Year	Amount
2006	$ 969,000
2007	802,000
2008	610,000
2009	492,000
2010	377,000
	$ 3,250,000

12. Net Change in Non-cash Working Capital Balances

	2005	2004
Accounts receivable	$ **(4,685)**	$ 16,489
Loans and service charges receivable	**12,677**	(7,816)
Inventory	**(14,888)**	(133,615)
Prepaid expenses and deposits	**(26,291)**	(19,034)
Accounts payable and accrued liabilities	**97,435**	40,951
Income taxes	**(214,443)**	15,371
Less portion of change resulting from extraordinary item (Note 17)	**(182,000)**	-
	$ **(332,195)**	$ (87,654)

13. Related Party Transactions

a) Rent and Operating Costs

During the year, $92,300 (2004 - $90,300) was paid to companies owned by up to two directors for rent and operating costs at two locations. The Company has lease agreements for base rent charges and operating costs with these companies. The leases expire October 2009 and January 2014.

b) Consulting Fees

During the year, $66,000 (2004 - $59,600) was paid to a company owned by an individual related to a director for consulting fees. In addition, $60,000 (2004 - $51,000) was paid to a director's company for consulting fees.

The above transactions have been recorded at the exchange amount (the amount of consideration established and agreed to by the related parties).

14. Segmented Information

The Company continues to operate in the collateral loan and resale of forfeited goods industry as its operating segment. The Company's seventeen stores are located in the same geographical area being Alberta, Canada.

15. Earnings per Share

Earnings per common share and diluted earnings per common share have been calculated using the weighted average number of common shares outstanding during the year as follows:

	2005	2004
Basic weighted average number of shares	**14,019,605**	14,006,454
Diluted weighted average number of shares	**14,035,869**	14,064,254

The 400,000 options whose exercise price exceeds the market value of the shares have not been included in the determination of the diluted weighted average number of shares as the effect is anti-dilutive. The comparative number of diluted weighted average number of shares has been increased by 220,692 to correct the balance.

16. Financial Instruments

As disclosed in the summary of significant accounting policies (Note 1), the Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to interest rate risk, and industry credit and fair value risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

a) Interest Rate Risk Management

The Company manages its exposure to interest rate risk through the availability of both fixed and floating rate borrowings. The fixed rate debt is subject to interest rate price risk, as the value will fluctuate as a result of changes in market rates. The floating rate debt, when used, is subject to interest rate and cash flow risk, as the required cash flows to service the debt will fluctuate as a result of changes in market rates. The related disclosure regarding these debt instruments are found in Notes 6, 8 and 9 to these financial statements.

b) Credit and Fair Value Risk

The Company's service charges receivable and loans receivable are from transactions within the collateral loan industry and as such, the Company is exposed to all the risks of that industry. The Company manages its risk by taking sufficient security in the form of tangible property on loans. When a customer defaults on a loan, the security becomes the property of the Company and is transferred to inventory as described in Note 1. Service charges receivable are accrued only to the extent that collection is expected based on historic results. The Company establishes an allowance for inventory valuation based on the quality and age of the inventory, historical and other information.

17. Extraordinary Item

In September 2004, a leased property for one of the Company's store locations was destroyed by a fire. This fire resulted in an uninsured loss of $297,240, before the recovery of current income taxes of $93,000 and future income taxes of $8,000.

Major components of the loss are as follows:

	Amount
Loans and service charges receivable waived	$ 75,000
Inventory	107,000
Property and equipment	50,000
Compensation paid for lost collateral property	57,000
Other costs incurred	8,240
Loss before income taxes	297,240
Income tax benefit	(101,000)
Loss, net of income taxes	$ 196,240

18. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

CASH CANADA GROUP LTD.

FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS TWELVE MONTH PERIOD ENDED JANUARY 31, 2005

Management's discussion and analysis ("MD&A") of financial conditions and results of operations should be read in conjunction with the audited financial statements and the related notes attached thereto for the year ended January 31, 2005. The MD&A includes information up to and including May 25, 2005, the date this report was prepared.

The financial data presented has been prepared in accordance with Canadian generally accepted accounting principles by the auditors for Cash Canada Group Ltd. (the "Company", "Cash Canada"). All amounts are stated in Canadian dollars.

The reader should also refer to the annual audited financial statements for the years ended January 31, 2004 and 2003, and the Management Discussion and Analysis for those years. These statements and additional information related to the Company is available for viewing on SEDAR at www.sedar.com.

Statements in this report that are not historical facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. To identify these forward looking statements, wherever possible, words such as "anticipates", "believes", "potential", "may" and "will" have been used. These statements are based on certain assumptions and analyses made by the Company using its experience, analysis of historical trends, current conditions and expected future developments, as well as any other factors deemed appropriate.

The predictions or expectations made by the Company are just that, and it should be noted that the events or results predicted may differ from actual results or events and that there can be no assurance that the actual results or developments anticipated by the Company will be realized in whole or in part. The Company, however, assumes no obligation to update publicly any such forward looking statements, whether as a result of new information, future events or otherwise. Factors which could cause actual results or events to differ materially from current expectations include, among other things, lending rates, competitive factors in the various regions, regulatory decisions, economic conditions, the ability of the Company to successfully implement its strategic initiatives, and whether such initiatives yield the expected benefits. Therefore, readers are cautioned not to put undue reliance on forward-looking statements.

Description of Business

Cash Canada Group Ltd. provides alternative financial solutions to individuals requiring immediate short-term cash loans using personal items for collateral. Revenue is generated from the interest and service charges applicable to these loans and profits from the sale of unclaimed merchandise. The Corporation also provides cheque cashing, prepaid phone service, money wire transfers and other complimentary services.

Cash Canada Group Ltd. currently operates seventeen corporately owned locations throughout the Province of Alberta.

Overall Performance & Results of Operations

Gross revenue for the Company's January 31, 2005 year-end was $11,627,909 as compared to $11,279,088 for the previous year-end, an increase of $348,821 (3.1%). Expenses (before extraordinary item) for the year ended January 31, 2005 increased $281,576 (2.7%) from the 2004 fiscal year end. This resulted in a marginal increase in income year over year of $67,245, before taxes and extraordinary items. As a result of a fire on September 27, 2004, the Company lost one of the Edmonton stores. The Company recorded an extraordinary loss, after tax, of $196,240 due to the loss of this store. The full effect of the extraordinary item reduced actual net after tax income for the year ended January 31, 2005 to $487,317 a decrease of $171,995 from $659,312 at January 31, 2004. Although greatly disappointed with the loss of the store the Company is encouraged that the decrease in earnings for the year was less than the cost incurred as a result of the fire. This can be attributed to superior returns from the remaining seventeen stores on a year over year basis.

The Company's basic and fully diluted net earnings per share, before extraordinary item, for the year ended January 31, 2005 was $0.049 as compared to $0.047 for the year ended January 31, 2004. Basic and fully diluted net earnings per share after the extraordinary item remained a respectable $0.035 for the year ended January 31, 2005.

At January 31, 2005 Cash Canada had current assets of $4,725,070 and current liabilities of $686,135, a current ratio of 6.89:1. Total assets were $6,286,904 and total liabilities were $1,803,135, a ratio of 3.49:1. Cash Canada had retained earnings of $899,049 and the Company's book value was $4,483,769 ($0.32 per share basic and $0.31 per share fully diluted) at January 31, 2005.

In October of 2004 Cash Canada relocated its store in Wetaskiwin to larger premises and in November of 2004 doubled the size of one of its Calgary stores. Another of the Calgary stores was relocated to slightly larger premises in March of 2005, the Company's store in Lethbridge was relocated to a much larger more visible premise in early May 2005 and the store in Medicine Hat will be in its new location by the end of May 2005. The Company has also leased additional space to expand its Edmonton Millwoods location. Cash Canada continues to seek the best locations and conditions it can provide for all of the existing stores while continuing to identify new store locations or acquisitions. Cash Canada management anticipates higher revenues for the year ending January 31, 2006 as a result of increased performance from expanded and renovated stores as well as from new store openings. Net earnings are not anticipated to increase accordingly due to the related costs. These costs will include; moves and expansions, new store signage installations, completion of the centralized operating system and new store openings.

Annual Information

The following table provides a summary of the Company's audited financial results for each of the last three fiscal year ends. For more detailed information, refer to the Company's filing of Financial Statements on SEDAR (www.sedar.com).

	Year Ended January 31, 2005	Year Ended January 31, 2004	Year Ended January 31, 2003[1]
Total Revenue	$11,627,909	$11,279,088	$10,169,426
Net Income (Loss)	$ 487,317	$ 659,312	$ 475,186
Net Income (Loss) per share	$ .035	$ .047	$ .034
Net Income (Loss) per share Fully diluted	$ .035	$ .047	$ .033
Total Assets	$ 6,286,904	$ 6,118,519	$ 5,707,902
Total Long-Term Liabilities	$ 1,117,000	$ 1,117,000	$ 5,599[2]

[1] These numbers have been restated to adjust for the new revenue recognition policy the Company adopted January 31, 2004 on a retroactive basis.

[2] For the year ended January 31, 2003 the debenture liability of $1,268,000 was classified as a short-term liability in accordance with GAAP.

Summary of Quarterly Results

	3 Months Ended January 31, 2005	3 Months Ended October 31, 2004	3 Months Ended July 31, 2004	3 Months Ended April 30, 2004
Total Revenue	$ 2,828,170	$ 3,022,312	$ 2,936,056	$ 2,841,371
Net Income (Loss)	$ 125,843	$ 45,757	$ 164,654	$ 151,063
Net Income (Loss) per share	$ .009	$ .003	$ .012	$ .011
Net Income (Loss) per share Fully diluted	$ .009	$ .003	$ .012	$ .011

	3 Months Ended January 31, 2004	3 Months Ended October 31, 2003[1]	3 Months Ended July 31, 2003[1]	3 Months Ended April 30, 2003[1]
Total Revenue	$ 2,666,285	$ 2,949,115	$ 2,879,796	$ 2,783,892
Net Income (Loss)	$ 204,603	$ 191,968	$ 112,599	$ 150,142
Net Income (Loss) per share	$ .015	$ .014	$ .008	$ .011
Net Income (Loss) per share Fully diluted	$ .015	$ .014	$ .008	$ .010

[1] These numbers have been restated to adjust for the new revenue recognition policy the Company adopted January 31, 2004 on a retroactive basis.

Quarterly Income Discussion

Cash Canada had net income of $125,843 in the fourth quarter ended January 31, 2005. As discussed in the Overall Performance & Results of Operations, expenditures for the centralized operating system, store renovations and signage resulted in a decrease of $78,760 from the fourth quarter ended January 31, 2004.

Income per store, on a year over year basis continues to be extremely strong. The Company continues to focus on presentation, exposure and increased efficiencies on all retail sectors.

Liquidity

Cash Canada's working capital at January 31, 2005 was $4,483,769. At May 25, 2005 the Company has expended cash and funds from available credit for store and office renovations, the centralized computer operating system and sign installations. Combined with the normal seasonal increase in outstanding loans the Company currently has access to approximately $1,100,000 from cash and available credit to fund continuing operations and expansion.

Obligations

Contractual Obligations

	Year End Jan 31/06	Year End Jan 31/07	Year End Jan 31/08	Year End Jan 31/09	Year End Jan 31/10
Long-Term Debt [1]	$ 0	$ 0	$ 0	$1,117,000	$ 0
Capital Lease Obligations	$ 0	$ 0	$ 0	$ 0	$ 0
Operating Leases [2]	$ 969,000	$ 802,000	$ 610,000	$ 492,000	$ 377,000
Total Contractual Obligations	$ 969,000	$ 802,000	$ 610,000	$1,609,000	$ 377,000

[1] In December 2003, the Company issued a new 10% Series B Subordinated Debenture that matures November 30, 2008. No principal payments are required until the maturity date.

[2] Includes store location rental leases, vehicle and computer leases.

Capital Resources

During the year ended January 31, 2005, a Demand Operating Facility Agreement was executed with a Canadian chartered bank for a new credit facility. This banking agreement provides the Company access to a maximum of $1.5 million in financing through a demand loan. This loan bears interest at prime plus 1.25%, is payable monthly, and is secured by all of the assets of the Company and a postponement of the debentures. In addition, the Company must comply with certain cash flow and working capital covenants. At May 25, 2005 Cash Canada had accessed $550,000 of the funds available from this Demand Operating Facility to cover the costs surrounding the store relocations, signage and new operating system. The Company continues to exceed all required covenants.

Related Party Transactions

a) Rent and Operating Costs

During the year ended January 31, 2005, $92,300 (2004 - $90,300) was paid for rent and operating costs at two locations. One of these locations is leased from a company partially owned by two directors and the second location is leased from a company partially owned by three directors. The lease agreements expire October 2009 and January 2014.

b) Consulting Fees

During the year ended January 31, 2005, $66,000 (2004 - $59,600) was paid to a company owned by an individual related to a director for consulting fees. In addition, $60,000 (2004 - $51,000) was paid to a company owned by a director for consulting fees.

Financial Instruments

As disclosed in the summary of significant accounting policies, the Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to interest rate risk and industry credit and fair value risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

a) Interest Rate Risk Management

The Company manages its exposure to interest rate risk through a combination of fixed and floating rate borrowings. The fixed rate debt is subject to interest rate price risk, as the value will fluctuate as a result of changes in market rates. The floating rate debt is subject to interest rate and cash flow risk, as the required cash flows to service the debt will fluctuate as a result of changes in market rates. The related disclosure regarding these debt instruments can be found in Notes 1, 2, 6, 9 and 16 of the accompanying Audited Financial Statements.

b) Credit and Fair Value Risk

The Company's service charges receivable and loans receivable are from transactions within the collateral loan industry and as such, the Company is exposed to all the risks of that industry. The Company manages its risk by transacting thirty-day loans and taking sufficient security in the form of tangible property on loans. When a customer defaults on a loan, the security becomes the property of the Company and is transferred to inventory as described in Note 1of the accompanying Audited Financial Statements. Service charges receivable are accrued only to the extent that collection is expected based on historic results. The Company establishes an allowance for inventory valuation based on the quality and age of the inventory, historical and other information.

Dividends

The Company has not paid any dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be reinvested to finance the growth of its business.

Historical Information & Trends

Historically, the Company's revenues begin increasing in early spring, peaking in late summer to early fall and start to decline through the winter. The decrease through the winter is offset with a substantial spike in sales during the Christmas season. This trend has been consistent since the inception of the Company. During a robust economy, Cash Canada experiences increases in its outstanding loans and accordingly an increase in the revenues generated from those loans. Sales during strong economic cycles normally increase which results in higher profits, although margins remain consistent. Slower economic cycles generally result in less outstanding loans and the corresponding decrease in revenues generated from loans. Sales also decrease during a slow economy but again margins normally remain consistent. A strong or weak economic cycle does not have a dramatic effect in Cash Canada's ability to generate revenue or profit.

The economic cycles that affect Cash Canada's business are generally the same as those that impact all retail businesses and credit institutions. A strong economy, that employs a greater percentage of the population encourages spending by consumers and increases confidence in the general populace with regard to their ability to incur and manage debt. Weak economies reduce consumer confidence for credit and spending, this economy produces conservative spending habits and weakens the ability to manage debt.

Share Capital

a) Authorized

50,000,000	Common shares
10,000,000	Preferred shares
22,500	Series A, 5% cumulative, convertible, preferred shares
67,500	Series B, 5% cumulative, convertible, preferred shares

b) Issued

	January 31, 2005		January 31, 2004	
	Common Shares Issued	Amount	Common Shares Issued	Amount
Balance, beginning of year	14,019,605	$ 3,584,720	13,919,605	$ 3,569,720
Options exercised for cash	-	-	100,000	15,000
Balance, end of period	14,019,605	$ 3,584,720	14,019,605	$ 3,584,720

c) Outstanding Options, Warrants, Rights or Other Derivatives

At May 25, 2005 there were 430,000 options outstanding:

Options Outstanding	Exercise Price	Expiration Date
30,000	$0.15 per share	April 28, 2006
400,000	$0.50 per share	November 16, 2009

d) Calculation for Dilution at January 31, 2005:

Outstanding shares	14,019,605
Options outstanding	430,000
Shares, fully diluted	14,449,605

Subsequent Events

There have been no material events subsequent to year end.